

PHARMACY PROFESSIONAL SERVICE REIMBURSEMENT PROGRAM

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CHANGES TO DATE

Phase I

- ▣ **Average Acquisition Cost (AAC)**
 - Created reimbursement method based on ingredient costs of drugs

Phase II

- ▣ **Cost of Dispensing Fee**
 - Based on independent survey
 - Sets stage to compensate for professional pharmacy services
- ▣ **Implemented 9/22/10**



PHASE III

GOALS

▣ Decrease
Agency's
pharmaceutical
and medical
costs





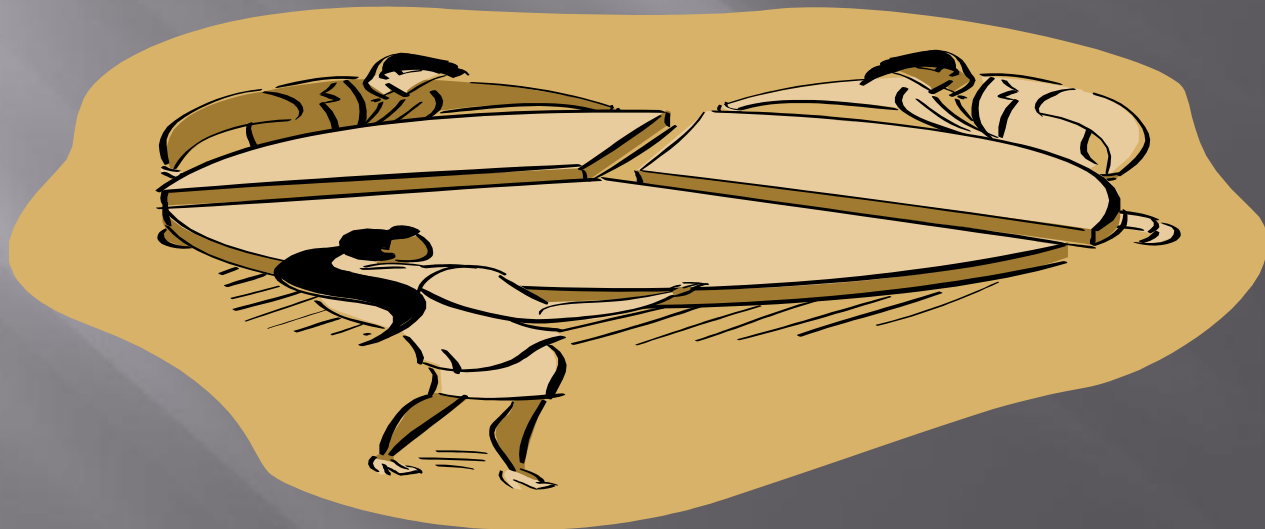
▣ **Maintain
and
possibly
increase
recipients'
health
outcomes**



▣ Identify professional services provided by pharmacy providers



▣ Provide a financial incentive (when possible) to pharmacy providers who participate in cost savings initiatives





PHASE III COMPONENTS

PROPOSED COMPONENTS

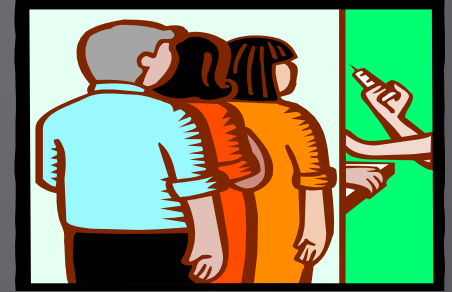
- ▣ Pharmacist Vaccine Administration
- ▣ Long Term Maintenance Program
- ▣ Tablet Splitting
- ▣ Short Term Starter Therapy

OTHER COMPONENTS BEING CONSIDERED



- ▣ ePrescribing
- ▣ Generic Dispensing

PHARMACIST VACCINE ADMINISTRATION



Projected Implementation Date:

11/1/10

CONCEPT

Reimburse pharmacy providers
for administration of Agency
specified vaccines to eligible
recipients 19 and older

CURRENT PRACTICE/POLICY

- ▣ November 1, 2009
 - Agency began to reimburse pharmacy providers for administration of the flu and H1N1 vaccines for eligible recipients age 19 and older.

- ▣ 2010–2011 flu season
 - Agency covers administration of the available combination vaccine that will protect against seasonal influenza and the H1N1 viruses.

RECOMMENDATION

In addition to the current vaccines, reimburse pharmacy providers for administration of the pneumococcal and Tdap (tetanus) vaccines to eligible adult recipients (outside of the VFC program)

ADVANTAGES

- ▣ Increases access for adult recipients to receive vaccinations
- ▣ May decrease Agency's medical expenses regarding excess physician visits, hospitalizations, and/or outpatient medications

ADVANTAGES

- ▣ Recognizes pharmacy providers through reimbursement for professional service
- ▣ Supports Medical Neighborhood concept through required bilateral communication
- ▣ Agency continues to load pharmacy administration data to ADPH's ImmPRINT registry

VACCINATIONS INCLUDED

Current

- ▣ H1N1 and Seasonal Flu (Combination)

Additions

- ▣ Pneumococcal
- ▣ Tdap (tetanus)

PROFESSIONAL SERVICE REIMBURSEMENT

- ▣ \$5.00 administration fee reimbursed
- ▣ Same as fee to physicians with no dispensing fee or co-pay applied to the claim

PARTICIPATION REQUIREMENTS

- Voluntary provider participation
- Pharmacy provider must have order/prescription from PMP prior to administering these specific vaccinations
- Licensed pharmacist must administer the vaccine
- Alabama State Board of Pharmacy law and regulations regarding dispensing and administration of legend drugs/vaccines must be followed

PARTICIPATION REQUIREMENTS

Pharmacy provider must notify Primary Medical Provider (PMP) of vaccines administered.

- If the PMP is unknown, the pharmacy may call the Alabama Medicaid Automated Voice Response System (AVRS) system at 1-800-727-7848 to obtain the PMP information.
- A suggested notification letter is available on the Agency's website

PARTICIPATION REQUIREMENTS

- ▣ Pharmacy provider must keep PMP notification documentation on file at the pharmacy
- ▣ Pharmacy provider must submit appropriate Agency assigned NDC for specific vaccination administered to receive reimbursement

QUESTIONS

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LONG TERM MAINTENANCE PROGRAM



Projected Implementation Date:

3/1/11

CURRENT PRACTICE/POLICY

Alabama Medicaid only reimburses
pharmacy providers for up to a
34-day supply of medication

CONCEPT

- ▣ Target low cost drugs that are used to treat chronic illnesses (maintenance medication)
- ▣ Reimburse pharmacy providers for a 90-day supply of preferred maintenance medication (in Agency specified drug classes)

CONCEPT

- ▣ 90-day supply can only be dispensed to recipient who has demonstrated stable therapy for 60 out of 75 consecutive days.
- ▣ Same definition of stable therapy through the PA program

ADVANTAGES

- ▣ Recipients obtain 3-month supply with only one pharmacy visit
- ▣ Increase recipients' compliance with therapy.
 - Studies have shown maintenance medication programs increase therapy compliance.
- ▣ Providers may receive financial incentive
- ▣ Saves time for providers
 - (Only preparing to dispense once instead of 3 separate times)

DISADVANTAGE

- ▣ It may be argued that the Agency may pay for future medications when recipients are no longer eligible.
- ▣ However, according to the Agency's 2009 claims data, this argument would apply to less than 2% per month of the total eligible recipients.
 - This percentage is even less in some of the classes targeted for this program.

DRUG CLASSES INCLUDED

PILOT: ANTIHYPERTENSIVES

- ▣ ACE inhibitors*
- ▣ β - (beta) Blockers*
- ▣ Diuretics

* 1.1% of recipients who received these drugs drop off per month

OTHERS CONSIDERED (For Future Inclusion)

- ▣ Biguanides
(antidiabetic agents)
- ▣ Oral Contraceptives
- ▣ Hypothyroid Agents
- ▣ Cholesterol Agents
(statins)

PROFESSIONAL SERVICE REIMBURSEMENT

- ▣ Receive an additional professional service fee of \$10.00 for each qualifying 90-day supply dispensed in addition to the current dispensing fee
- ▣ Paid at point of sale, if approved by CMS
- ▣ An alternative would be to pay participating providers quarterly minus any outstanding recoupments due to the Agency.

PARTICIPATION REQUIREMENTS

- ▣ Voluntary provider participation
- ▣ Dispense a 90-day supply of qualifying medications
- ▣ Submit appropriate NCPDP code and/or description

QUESTIONS

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TABLET SPLITTING



Projected Implementation Date:
5/1/11

CURRENT PRACTICE/POLICY

- ▣ No current policy
- ▣ Agency currently reimburses pharmacy providers for tablet splitters

CONCEPT

- ▣ Target “flat priced” preferred drugs that can be split and remain therapeutically effective, e.g. drugs that are the same price for all strengths [Example: Lipitor]
- ▣ Agency will identify the applicable drugs

CONCEPT

- ▣ Pharmacist will dispense increased strength and split tablets
- ▣ Example: Physician writes Seroquel 50mg; 1 tablet per day; dispense #30
- ▣ Pharmacist coordinates with physician and dispenses: Seroquel 100mg; ½ tablet per day; dispense #15

ADVANTAGES

- ▣ Decrease Agency's pharmaceutical cost by up to 50%
- ▣ Pharmacy provider could receive a financial incentive to participate (if approved by CMS)

DISADVANTAGES

- ▣ Pharmacy provider may be reluctant to spend time splitting tablets
- ▣ Recipient may not want split tablets

DRUGS INCLUDED

- ▣ Abilify
- ▣ Lexapro
- ▣ Seroquel
- ▣ Zyprexa

PROFESSIONAL SERVICE REIMBURSEMENT

- ▣ Receive a \$10.00 professional service reimbursement per applicable script in addition to the current dispensing fee
- ▣ Paid at point of sale, if approved by CMS
- ▣ As an alternative, paid quarterly to participating providers minus any outstanding recoupments due to the Agency.

PARTICIPATION REQUIREMENTS

- ▣ Voluntary provider participation
- ▣ Coordinate with physician
 - After approval from physician, pharmacy provider would split and dispense the tablets
- ▣ Document consultation with recipient regarding the revised dosage, i.e. take one $\frac{1}{2}$ tablet instead of 1 tablet has prescribed by the physician

PARTICIPATION REQUIREMENTS

- ▣ Pharmacy provider's documentation of consultation with physician and recipient must be kept on file
- ▣ Submit appropriate NCPDP field/description on claim to receive professional service fee reimbursement

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SHORT TERM STARTER THERAPY



Projected Implementation Date:
8/1/11

CURRENT PRACTICE/POLICY

- ▣ Medicaid requires drugs to be dispensed for a one month supply (up to 34 days)
- ▣ In certain disease states (such as mental health) a 34-day supply of medication may not be completely consumed by the patient due to the physician changing the medication as a result of unfavorable treatment outcomes or negative side effects

CURRENT PRACTICE/POLICY

- ▣ These medication changes typically occur within the first 2 weeks of therapy initiation
- ▣ Unused medication cannot be re-used or returned to the pharmacy, resulting in potential “wasting”

CONCEPT

- ▣ Target high costing drugs that are commonly adjusted with initial medication therapy
 - Only for eligible recipients living in a residential setting (pharmacy to identify on pharmacy claim)
- ▣ Limit dispensing
 - 1st – 4th fills to up to a 15-day supply;
 - 5th fill and beyond up to a 34-day supply

ADVANTAGES

- ▣ Reduces waste of unused medication
- ▣ Decreases money spent on unused medications
- ▣ Pharmacy providers receive an additional dispensing fee of starter medication, as specified by the Agency, for up to a 30-day supply

DRUG CLASS INCLUDED

Pilot:

Antipsychotics

- Only for eligible recipients living in a residential setting

PROFESSIONAL SERVICE REIMBURSEMENT

A \$10.64 dispensing fee will be reimbursed (at the point of sale) to a pharmacy provider each time a qualifying starter therapy is dispensed.

PARTICIPATION REQUIREMENTS

- ▣ Voluntary provider participation
- ▣ Enter appropriate NCPDP code/description on claim to receive professional service fee reimbursement
 - ▣ Recipient's location code
 - ▣ Starter code

QUESTIONS

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ACTIONS NEEDED

CHANGES NEEDED

	State Plan	Administrative Code	Provider Billing Manual	MMIS	Provider Education
Vaccine Administration	N/A	N/A	●	●	●
Long Term Maintenance	●	●	●	●	●
Tablet Splitting	●	●	●	●	●
Short Term Starter Therapy	●	●	●	●	●

REGULATORY DOCUMENTS

DRAFT
LANGUAGE

STATE PLAN

- ▣ **Attachment 4.19–B**
 - **Page 2a**

- ▣ **Attachment 3.1–A**
 - **Page 3.6a**

STATE PLAN

Important Dates	
October 15, 2010	Submit SP amendments for internal review and approval
October 25, 2010	Submit SP amendments to Legal
November 1, 2010	Submit amendments to CMS (Legal)
February 1, 2011	Amendments Effective

ADMINISTRATIVE CODE

Chapter 16 – Pharmaceutical Services

- ▣ **Rule No. 560-X-16-.01– Pharmacy Services – General.**
 - ▣ Section 9

- ▣ **Rule No. 560-X-16-.05 Long Term Care Facilities.**
 - ▣ Section 7

ADMINISTRATIVE CODE

- ▣ **Rule No. 560-X-16-.06. Reimbursement for Covered Drugs and Services.**
 - Sections 5, 6, 7 and 9

- ▣ **Rule No. 560-X-16-.20. Quantity Limitations.**
 - Sections 1, 2 and 3

ADMINISTRATIVE CODE

Important Dates	
October 15, 2010	Submit AC changes for internal review and approval
October 25, 2010	Submit AC changes to Legal
November 1, 2010	Submit AC changes to Legal
November 19, 2010	File AC changes (Legal)
November 30, 2010	Publish AC changes Public comment period begins
January 4, 2011	Comments deadline
January 11, 2011	Adopt AC changes
February 15, 2011	Changes effective

PROVIDER BILLING MANUAL

- ▣ Chapter 27-Pharmacy Services
 - 27.2.3 Quantity Limitations
 - ▣ Maintenance Medications
 - 27.2.5 Reimbursement for Covered Drugs and Services
 - ▣ Dispensing Fees
 - ▣ Professional Service Fees
 - ▣ Vaccine Administration
 - ▣ Long Term Maintenance Drug Therapy
 - ▣ Short Term Starter Therapy
 - ▣ Tablet Splitting

PROVIDER BILLING MANUAL

Important Dates		
Phase III Component	Submit Change Date	Effective Date
Vaccine Administration	11/12/10	1/1/11
Long Term Maintenance Plan	2/11/11	4/1/11
Tablet Splitting	5/13/11	7/1/11
Short Term Starter Therapy	8/12/11	10/1/11

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